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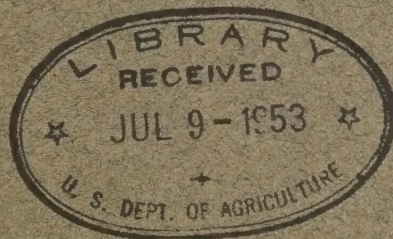
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BUREAU OF MARKETS
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U. S. DEPT. OF AGRICULTURE

ABRIEF SYNOPSIS
OF THE WORK OF
THE BUREAU OF MARKETS
OF THE
U.S. DEPARTMENT
OF AGRICULTURE

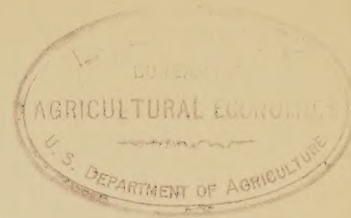


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A Word to Our

Visiting Editors:

Here is a booklet which will present to you some high-lights on selected phases of the work of the Bureau of Markets. It is hoped that it may suggest the importance and complexities of the problems involved and some of the difficulties encountered.

Obviously it is impossible to give an adequate description of the work of the Bureau within the confines of a limited statement but more detailed information as to any particular phase of the Bureau's work will be given gladly upon request.

George Livingston
Chief of Bureau.

Washington, D. C.,

June 14, 1920.

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THE BUREAU OF MARKETS.

A Brief Synopsis of Its Work.

Importance of Marketing Recognized.

The United States Department of Agriculture and the State agricultural colleges and experiment stations for a great many years have been rendering definite assistance to farmers in the solution of problems concerning agricultural production. In fact, until recently the attention of these agencies has been almost exclusively directed to increasing the quantity and improving the quality of the products of the American farm. The point was reached a few years ago, however, where the American farmer began to ask not so much, "How can I increase production?" or "How can I improve quality?", as "Where can I sell to advantage the things that I produce?" In response to urgent and increasing demands, therefore, in 1913 an Office of Markets was created in the United States Department of Agriculture. This Office subsequently developed into the Bureau of Markets.

Bureau of Markets deals with the Selling End of Farming.

The function of this Bureau is to assist the farmer in solving the problems of marketing and distribution as the Bureaus of Plant and Animal Industry of the Department of Agriculture have for a great many years assisted him in increasing production and in bettering the quality of his products. The work of the Bureau of Markets deals definitely with the selling end of farming and is, therefore, concerned with questions of economics and business.

**Increased
Production
Dependent
on Marketing.**

**Marketing,
an Intricate
Problem.**

The Bureau of Markets has been in existence seven years. During this relatively short time it has done pioneer work in an undeveloped field and the importance of continuing and developing these activities would be difficult to overstate. It is of the highest importance that work calculated to increase production should be continued, and it is equally important that marketing work be developed in an adequate and logical manner, or much of the work on production must necessarily fall short of its possibilities and the benefits which should result from it will not be realized. Distribution is fundamentally an interstate activity and involves a multiplicity of relations with others in which the farmer encounters conditions which deprive him of the possibility of controlling the disposition and sale of his crops. As an illustration, apples produced in the Pacific Northwest compete with apples produced in the Shenandoah Valley of Virginia and the grain crops produced in the several grain producing States compete, not only in the markets of the United States, but in the markets of the World. The farmer consequently is in particular need of market information which will enable him to obtain the true value of the crops that he produces.

The work of the Bureau of Markets covers the entire United States and it has branch offices or representatives in about 50 places. Its activities are divided into three branches, i. e., investigational and demonstrational, service,

and regulatory.

Investigational and Demonstrational Work.

Progress
Dependent
on Research.

Thoroughgoing investigations of existing conditions in connection with the marketing and handling of farm products are fundamentally necessary as a foundation on which to base effective service and regulatory work. Many of the

larger and more progressive corporations now maintain research departments through which the fundamental facts regarding their business may be ascertained. Work of this sort is even more necessary to an agency like the Bureau of Markets than to a corporation. The Bureau of Markets consequently studies current market conditions, demand for specific crops, sources of supply, methods of grading, standardizing, packing and shipping, transportation and storage, the nature of the commercial transactions by means of which

Subjects
Investigated
by Bureau.

farm products move from the producer to the consumer, waste in marketing, methods of accounting and business practice used by agencies engaged in the marketing of farm products, co-operative associations of farmers for marketing farm products, purchasing farm supplies, etc. The specific commodities to which the most attention has been given are cotton and cotton seed, live stock, meats and animal by-products, dairy products, grain, hay, feeds and seeds, and fruits and vegetables.

Under a special item in the appropriation Act, the Bureau cooperates with the Federal Trade Commission in inves-

**Cooperation
with Federal
Trade Com-
mission.**

tigating questions relating to the transportation, storage, marketing, manufacture and distribution of food products, with especial reference to manipulation, control of the visible food supply, and related questions. This work, so far, has been confined to live stock and the food-producing grains. A number of reports setting forth the results of the inquiries have been sent to the Federal Trade Commission for publication.

Some of the most important subjects with which the Bureau has dealt in its investigational work are the following:

(a) **The establishment of standards for farm products and containers in which they are packed.** This work is basic to all improvement in marketing because without established standards and grades there is no recognized basis for buying and selling; no common language by which the parties to a transaction may understand each other; no standard of quality upon which values and prices may be fixed.

**Mandatory
Standards
Established.**

Mandatory standards have been adopted as follows: Standards of classification for American upland, Sea Island and American Egyptian cottons, including grade, color and length of staple; grades for shelled corn, wheat and oats; standards for climax baskets and containers for small fruits, berries and vegetables.

**Permissive
and Tentative
Standards
Published.**

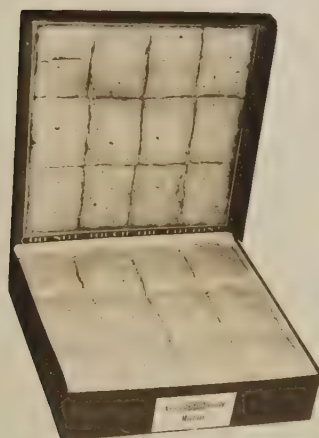
Permissive standards have been fixed for: white potatoes, Bermuda onions, sweet potatoes and strawberries, and tentative standards have been formulated for some other fruits and vegetables. Tentative standards of classification for live stock and meats have been formulated for use in reporting market conditions and prices. Tentative standards of classification for butter also have been fixed as a basis for the inspection service on that commodity. This work should be broadened as soon as possible; standards should be fixed for additional commodities such as hay and wool and those already promulgated should be constantly improved.

COTTON STANDARDIZATION WORK.

PREPARING THE STANDARDS.



BOX CONTAINING
STANDARDS.



STAPLE LENGTHS -
REDUCED



THESE BALES ARE OF THE STANDARD LENGTH OF 48 INCHES. THE STAPLE LENGTHS ARE REDUCED TO 1 1/2 INCHES. THE BALES ARE OF THE STANDARD WEIGHT OF 480 LBS. EACH.

APPLYING THE GRAIN STANDARDS.

CAR SAMPLING.



INSPECTION OFFICE.



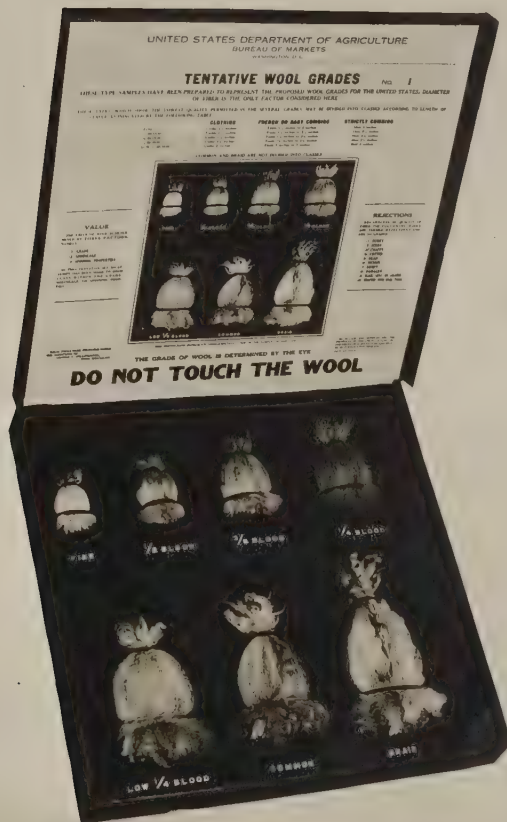
WEIGHT PER BUSHEL
TEST.



MOISTURE TEST.



WOOL STANDARDIZATION WORK.



MARKET GRADES OF BEEF STEERS.

PRIME



CHOICE



GOOD



MEDIUM

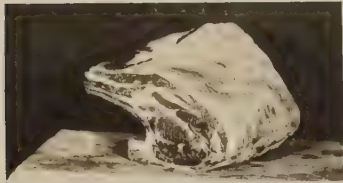


COMMON



GRADES OF BEEF - WHOLESALE CUTS.

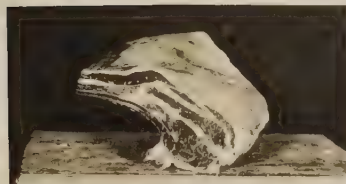
RIBS



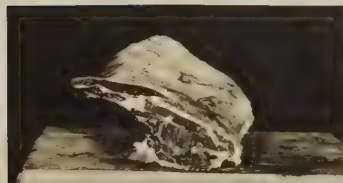
LOINS



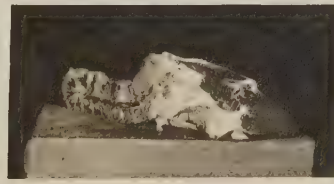
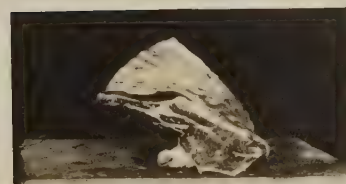
CHOICE



GOOD

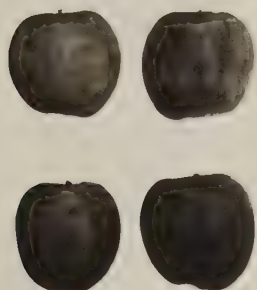


MEDIUM



COMMON

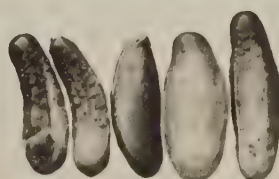
FRUIT AND VEGETABLE STANDARDIZATION WORK.



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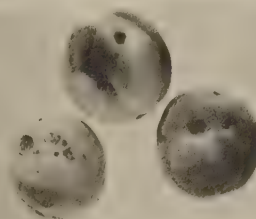
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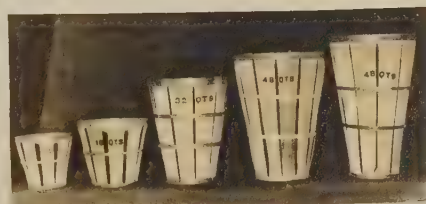
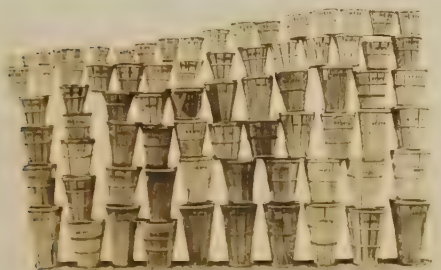
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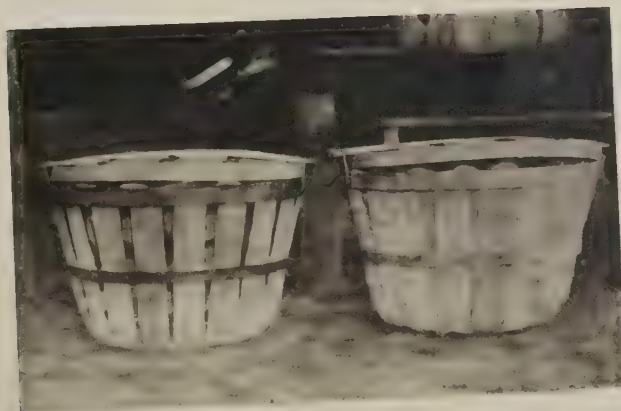


STANDARDIZATION OF CONTAINERS.



FRUIT PACKING DEMONSTRATIONS.

A "RING-PACKED" BUSHEL.



FRUIT PACKING DEMONSTRATIONS.

METHOD OF PACKING 6-BASKET CARRIER.



(b) Investigations and Demonstrations Concerning the Efficient Handling, Shipping and Storage of Farm Products.

**Campaign
to Reduce
Waste.**

Enormous wastes occur on account of the inefficient, careless manner in which many farm products are handled, stored and shipped and this Bureau conducts continually a campaign to overcome these evils.

The following cases may be cited as illustrative of this kind of work:

**Losses
through
Improper
Storage
of Sweet
Potatoes.**

It is estimated that 25 per cent of the sweet potato crop is lost through decay caused by storage in earth banks. The loss on this account last year is estimated to have approximated \$25,000,000. This Bureau developed a storage house in which the decay of the stored product has been reduced to less than 2 per cent and, as a result of its demonstrations, more than 600 houses of the recommended type have been built in the past two years. They provide suitable storage facilities for about 5 per cent of the total amount stored.

**Losses
from
Improper
Loading.**

An immense amount of waste occurs because shipments of perishable fruits and vegetables are not properly loaded. Frequently 20 per cent of such commodities as grapes or apples is lost on this account. Specifications for loading certain fruits and vegetables have been worked out and assistance has been given to the Railroad Administration in formulating such specifications. The specifications for loading sacked potatoes have made it possible practically to eliminate former very heavy losses caused by improper loading.

**Improved
Refrigerator
Car Designed.**

In connection with the work which this Bureau has done to preserve fruits and vegetables from decay and deterioration in storage and in transit, plans and specifications for a standard refrigerator car were drawn up. This car proved to be such an improvement over existing types that the Railroad Administration adopted it as standard and practically all of the refrigerator cars built or rebuilt in the past two years have been constructed in accordance with these specifications.

It is often estimated that from \$50,000,000 to \$75,000,000 is lost annually because baled cotton is not properly protected. Tests conducted by this Bureau to determine the extent of such damage showed that one

**Losses on
the Cotton
Crop.**

bale which was exposed to the weather for six months lost in value \$100.48 - approximately one-half of its original worth. The Bureau has designed storage houses in which cotton can be properly protected and the plans for such houses are available to all who wish them. Constant calls are received for assistance in adapting these plans to specific localities. These warehouses not only protect cotton properly but they have enabled insurance companies to give much lower rates on stored cotton than formerly. Rates range from \$2.00 to \$4.00 per hundred on cotton stored in improperly constructed houses; on cotton stored in houses built according to the specifications of the Bureau of Markets, the rates range from 25 to 50 cents per hundred. The American Cotton Association at a recent meeting determined to organize warehouse companies in all of the cotton producing sections of the South for the purpose of constructing warehouses according to the plans prepared by this Bureau.

**Improved
Methods
of
Handling
Grain.**

Until recently the grain raised in the Pacific Northwest has been largely marketed in sacks. This method of handling is expensive and inefficient not only on account of the high cost of sacks but because of the extra labor involved. It is estimated that at the present time fully 50 per cent of the grain grown in that region is still handled in this manner. The Bureau of Markets has conducted a campaign to promote bulk handling in the Pacific Northwest and expert assistance has been given in constructing granaries and elevators. Many country elevators have been built according to our recommendations, mostly by farmers' cooperative associations. Assistance also was given in planning the 1,000,000-bushel terminal elevator erected by the municipality at Portland, Oregon.

**Policy
Followed in
Cooperative
Organization
Work.**

(c) **Cooperative Organization:** Farmers' cooperative organizations are a permanent economic institution and are destined to have far-reaching effect both upon the farmer and the general public. The problems connected with the organization and operation of cooperative associations of farmers, and the business practices and accounting systems used by such organizations are of great importance. The Bureau of Markets maintains a division to deal with matters of this kind. Aside from making general investigations regarding the subject, the workers of this project give expert advice and assistance to specific groups of producers who request help in the organization and operation of

SWEET POTATO STORAGE WORK

THIS METHOD OF STORAGE
OFTEN RESULTS IN 50 PER
CENT DECAY.

USUALLY NOT MORE THAN
2 PER CENT IN HOUSES
OF THIS KIND.



IMPROPER STORAGE CAUSED A LOSS OF MORE THAN
\$25,000,000 IN 1919.

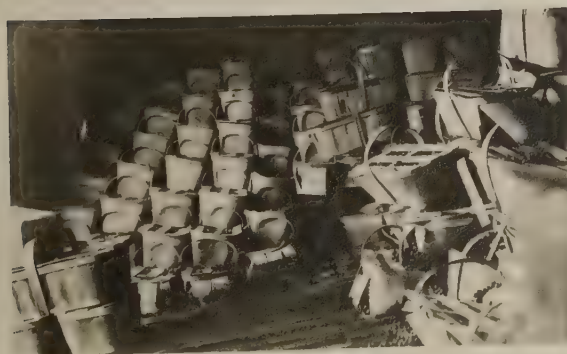


CAR LOADING DEMONSTRATIONS.

BAD LOADING MAKES WASTE.

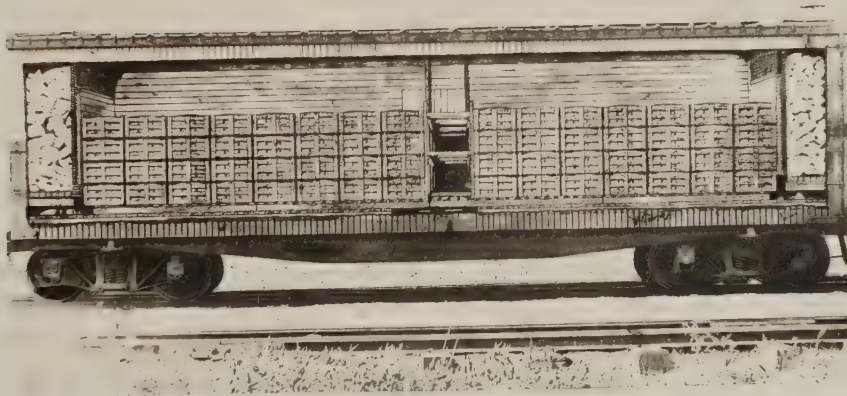


A WELL LOADED CAR.

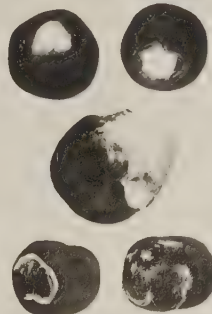


PRESERVATION OF FRUITS AND VEGETABLES IN TRANSIT.

U. S. STANDARD REFRIGERATOR CAR.



DECAY INCREASED BY POOR REFRIGERATION.



COTTON WAREHOUSING WORK.

EFFICIENT STORAGE



INEFFICIENT STORAGE

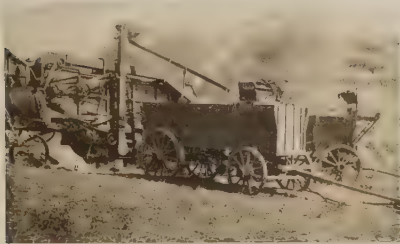


INEFFICIENT STORAGE MAKES WASTE.

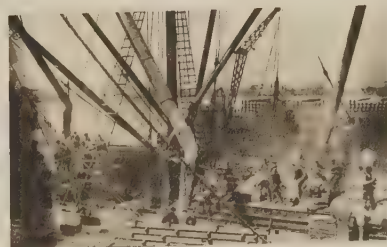


GRAIN HANDLING DEMONSTRATIONS.

BULK HANDLING
SAVES LABOR.



SACK HANDLING
MAKES LABOR.



cooperative associations. The Bureau does not engage in general propaganda calculated to induce the formation of such associations, but, when it is apparent that cooperative effort is needed to overcome abuse, remedy inefficiency, or supply a recognized need, it suggests to producers the advisability of considering the formation of a cooperative organization, shows them how such organizations are formed and conducted and explains to them the principles that must be observed in order to be successful.

**Increased
Returns to
Potato
Growers.**

In the season of 1918-1919 the Bureau gave expert advice and assistance to the potato growers in Michigan in forming the Michigan Potato Growers' Exchange. Fifty-two local potato shipping associations were formed which were federated into the Michigan Potato Growers' Exchange. In less than 10 months this exchange marketed 2118 cars of potatoes and 46 cars of other products, receiving therefor \$1,808,946.74. These cars were sold to 401 consumers in 186 cities in 26 states. Careful estimates indicate that the members of the exchange received for their products \$253,900 more than they would if they had not been organized. Over \$80,000 was saved in the purchase of supplies by the members of the exchange. The exchange continues to grow, today consisting of about 90 locals. The volume of business for the current season will be much larger than for the last season.

**Cooperative
Cotton
Marketing.**

The Bureau carries on work at various points in the Cotton Belt to demonstrate to farmers the value of knowing the grade and staple of cotton before sale, of having information regarding market conditions, and of finding other than local outlets for their cotton. This work is done through associations of farmers and has demonstrated the possibilities of marketing cotton cooperatively. It is estimated by Texas officials that on account of this work, farmers in that State alone received last year \$1,000,000 more for their cotton than they would have done otherwise. Representatives of the Bureau are now working with a committee of the American Cotton Association to devise plans for marketing cotton cooperatively throughout the entire cotton producing area.

(d) **Foreign Marketing:** Approximately fifty per cent of our exports last year were agricultural products, and the world markets have a far-reaching effect on domestic marketing and prices. In order to assist

Foreign
Markets
Enlarged.

American producers and exporters, therefore, the Bureau maintains a Foreign Service. An agricultural Commissioner is stationed in London to cover the United Kingdom and in the fall of 1919 two live stock commissioners were sent to Brazil, Argentina and Uruguay and this trip resulted in obtaining an outlet for American pure-bred live stock in South America. As a result of this survey sales reported to date amount to \$325,000 and it is probable that there was other business, of which we have no record. The most important fact is, however, that a market has been opened for future development.

Service Work.

Market News Services.

Commodities
Covered
by News
Service.

The Bureau conducts market news services relating to fruits and vegetables; live stock and meats; dairy products; hay, feed and seeds; and peanuts, and has recently instituted, in accordance with an amendment to the cotton futures Act, a quotation service showing the value of spot cotton.

Essentials
of a News
Service.

Prompt, accurate and disinterested market information is vital to the successful conduct of any business. The less that market news partakes of the nature of hearsay and prediction and the more specific and reliable it becomes, the less likelihood there is of economic waste caused by products being directed toward glutted markets and away from under-supplied markets. To the extent that marketing is a national problem, market news to be of maximum value, must be impartial and must be collected and distributed upon a nationwide basis. Experience indicates that the Federal Government is as yet the only agency which can furnish a service impar-

tial and nation-wide in scope.

**Government
Market News
Service
Available
to all.**

Prior to the establishment of the market news services, a few large organizations only were able to obtain reliable information on market conditions; now such information is available to all producers and to large and small dealers alike, and this protects the small producer, brings about more stable conditions and better distribution, and benefits consumers as well.

The outstanding feature of the market news service work is that it keeps before the producer, distributor, and consumer a picture of the movement of important crops to market, the supplies arriving in all of the important consuming and distributing markets, and the wholesale prices prevailing in each.

**Leased
Wires
Used.**

To make its reports of the utmost practical usefulness, the Bureau has equipped itself with the fastest system of communication available today. Its branch offices in the great consuming and distributing markets are connected with leased telegraph lines and operated by Bureau telegraphers. These wires are busy from 8 to 12 hours a day in the exclusive transmission of information which is vital to intelligent and successful food distribution. At one time, during the war, the Bureau operated 17,000 miles of leased wires. Its wires now extend about 5,000 miles and further decreases in funds probably will necessitate a further contraction.

**Cooperation
of Railroads
in Furnishing
Reports.**

Before the news services could be successfully operated it was necessary to get the cooperation of the carriers in order to obtain information regarding the carlot movement of certain commodities. This the Bureau has been very successful in doing and at the present time nearly 1200 different agents on 474 railroads, involving 248,000 miles of road, send in reports which are used in connection with the daily telegraphic bulletins on fruits and vegetables and live stock and meats. Nine thousand three hundred and fifty local station agents report monthly the carlot forwardings of all fruits and vegetables. This enables the Bureau to have more complete statistics of the origin and commercial movement of fruits and vegetables in the United States as a whole than have ever been obtained by any other agency.

**The Market
Reporter.**

In addition to its daily and other bulletins, the Bureau publishes "The Market Reporter," a weekly periodical which gives reliable current market information, reviews of crop seasons, comparisons and other related material such as has never before been available in convenient form.

The Food Products Inspection Service.

**Food
Products
Inspected.**

The Food Products Inspection Service provides a means whereby shippers or other interested persons may obtain a prompt, full, accurate and disinterested report on the condition of their shipments upon arrival at market.

FOOD PRODUCTS INSPECTION SERVICE.



UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF MARKETS

No. 1624

FOOD PRODUCTS INSPECTION CERTIFICATE

This certificate is receivable in all courts of the United States as prima facie evidence of the truth of the statements therein contained.

Market Boston, Mass., Date March 30, 1920 9:30 { A. M.
P. M.

To SAWYER & DAY Address 15 No. Market St., Boston
(Applicant)

Shipper MR. JOHN RUSSELL Address Sanford, Fla.

Receiver SAWYER & DAY Address Boston, Mass.

I certify that I am an agent of the United States Department of Agriculture, authorized to investigate and certify the quality and condition of food products under certain provisions, known as the food products inspection law, of an Act of Congress, approved July 24, 1919 (Public No. 22, 66th Congress), and the rules and regulations prescribed thereunder; that at the time and on the date stated above I inspected the following lot of food products received at the above market, an important central market designated by the Secretary of Agriculture, pursuant to said law and rules and regulations; and that the quality and condition, at said time and on said date, of such food products is that stated below:

Car initials and number C B & Q 36,540 Kind of car Refrigerator Where inspected NY NH & H Yards.

Condition of car (vents, plugs, etc.): Vents closed, plugs in, bunkers 6/8 full of ice.

Products inspected and distinguishing marks: Celery from Florida in crates; no distinguishing marks.

Condition of load and containers: Load intact, full length of car; 3 layers high, 7 rows wide. Each layer stripped. No breakage apparent.

Condition of pack: Generally tight.

Temperature of product: 41° F, bottom crate at door. 46° F top crate at center.

Size: Somewhat irregular sized stalks generally. Some fairly uniform.

Color and maturity: Tops generally yellow. Stalks mostly tough, well bleached.

Decay: About 35% of stock in 3rd layer shows watery soft rot - 2/3 of this confined to two or three outer branches of the stalk, balance total decay of top of stalk and leaves. Second layer shows about 25% watery soft rot - 4/5 of which is confined to two or three outer branches of the stalk, balance total decay to upper part of stalk and leaves. First layer shows about 5% watery soft rot - this confined to one or two outer branches of the stalk.

Other blemishes and defects (Fungous injuries, insect injuries, etc.) Negligible.

This stock is generally unattractive in appearance, due to decay and yellow leaves.

Remarks: This certificate is restricted to that part of the load between the doors and top layer in ends of car; balance of load being inaccessible on account of heavy loading.



Geo. W. Payne.

Food Products Inspector.

PLEASE REFER TO THIS CERTIFICATE BY NUMBER AND MARKET.

8-4263

**Inspection
Certificates
Prima Facie
Evidence
in Courts
of U. S.**

Inspections, which on account of limited funds are now confined to fruits, vegetables and butter, are made only upon formal request from some financially interested party and the reports issued by the inspectors are prima facie evidence in the courts of the United States. The certificates furnish a basis for the settlement of disputes, damage claims, etc., and the very existence of the service removes the temptation to make unjustifiable rejections and prevents many disputes which otherwise would arise.

**172 Markets
Served.**

At the present time fruit and vegetable inspectors are stationed at 25 markets, 147 additional markets being served from these stations. Butter inspectors are stationed in New York, Philadelphia, Chicago and Boston.

Other Service Work.

Other phases of service work are not described because complete description of the service activities would occupy too much space and time.

Regulatory Work.

**Laws
Administered
by Bureau
of Markets.**

Regulatory work is conducted by the Bureau of Markets to enforce the United States grain standards Act, the United States cotton futures Act, the United States warehouse Act, the standard container Act, and, as a war activity, to supervise the stock yards, and close up the work of the Wool Sec-

tion of the War Industries Board. The Bureau , in cooperation with the Solicitor's Office of the Department of Agriculture, has rendered material service to the committees of Congress which had charge of this legislation by assisting to draft the bills before they were introduced.

U. S. Grain Standards Act.

Under the United States grain standards Act standards have been fixed for shelled corn, wheat and oats; persons engaged in the inspection and grading of such grain are licensed and their work is supervised. Prior to the promulgation of the official standards, no uniform grades for any grain were in effect. State grain inspection departments in a few States, and many individual markets in other States maintained varying sets of grades. There were in existence about forty sets of standards for wheat alone, which have been replaced by the Federal grades for both interstate and intrastate inspections.

Favorable reports have been received from the Secretary of the Grain Dealers' National Association and from various chambers of commerce and boards of trade and it seems fair to say that the business and agricultural interests of the country which are affected by the operation of this Act feel that it has been helpful to them.

U. S. Cotton Futures Act.

The committee on agriculture of the House of Representatives at the time it recommended this Act for passage, expressed the opinion that it would enhance the value of the cotton crop to farmers \$100,000,000 annually, and the attitude of the public toward the enforcement of the cotton futures Act has been distinctly favorable. The cotton industry, as a whole, would oppose the repeal of this law. The operation of this Act is highly technical and it will, therefore, not be discussed at length here. Briefly, however, the Act imposes generally on all contracts of sale of cotton for future delivery, made at, on or in any exchange, board of trade or similar institution or place of business, a tax of two cents for each pound of cotton involved. It then exempts from the tax contracts that comply with specified sets of conditions, which are aimed to correct the evils of future dealing and provides machinery for carrying the scheme into effect. The cotton standards mentioned on page 4 were promulgated under the authority contained in this Act.

Standard Container Act.

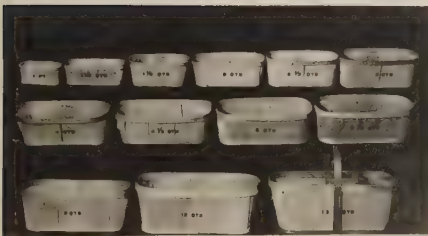
The standard container Act, fixes standard sizes for climax baskets and some other containers for fruits and vegetables. Under the Act more than a dozen sizes of climax baskets (ordinary grape baskets) were replaced by three, and

STANDARD CONTAINER ACT.

SIZES PREVIOUSLY USED.

AUTHORIZED SIZES
NOW IN USE.

CLIMAX BASKETS FOR GRAPES, ETC.



BOXES FOR BERRIES AND SMALL FRUITS.





nearly thirty sizes of boxes for berries and small fruits were replaced by four. This Act is a popular measure with growers, shippers, package manufacturers and the produce trade, who fully realize its importance and benefits. The shipping, handling and sale of the commodities handled in the containers covered have been greatly simplified and expedited by this legislation. Dealers now know just what to expect when they purchase such products in these containers from distant producers. Market quotations on such products can now be made and interpreted with uniformity and accuracy. Manufacturers are no longer compelled to make and carry in stock a large number of various sizes of these packages and a feeling of confidence between persons trading in commodities packed in containers of this sort is now noticeable and justified.

**Seven
Standardized
Containers
Replaced
more than
40 Different
Sizes or
Shapes.**

The United States Warehouse Act.

This is a permissive measure which enables the Department to license and bond warehousemen who store grain, cotton, wool, tobacco and flaxseed. It increases the desirability of warehouse receipts as collateral for loans and its wide use would be of definite assistance in the financing of crops. It tends to stabilize market conditions and prices by making it easy for farmers to store their products and receive warehouse receipts which can be used as collateral for loans,

**Stabilizes
Warehouse
Receipts.**

instead of placing all of their products on the market during the harvesting season, which method contributes to undue depression and inflation of prices. Among the tangible benefits resulting from the warehouse Act is the agreement of the Southeastern Underwriters' Association to reduce by 25 per cent fire insurance rates on cotton stored in licensed warehouses, because of the benefits of Federal inspection.

Stock Yards Supervision.

The regulation of stock yards and live stock dealers was undertaken by the Department of Agriculture in response to the Proclamations of the President, issued June 18, 1918, and September 6, 1918. The Chief of the Bureau of Markets was designated by the Secretary of Agriculture to administer the supervision of licensees. This work is much contracted now as it was undertaken as a war activity, under emergency funds, which are practically exhausted. During its progress, however, it was found possible to recommend and bring about many specific economies and improvements and the mere fact that the regulations were being enforced caused the voluntary elimination of many irregularities and injurious practices.

Completion of the Work of the Domestic Wool Section of the War Industries Board.

By Executive Order, the work of the Wool Division of

**Excess
Profits to be
Returned to
Growers.**

the War Industries Board was transferred to the Bureau of Markets for completion, and since that time it has been engaged in auditing the accounts received from dealers and in collecting the excess profits which later will be distributed to the growers. It appears at the present time that approximately \$1,000,000 in excess profits will have been collected and returned to the growers before this work is finally discontinued. The total number of reports already received from country and central dealers is 4,210 and it is probable that additional reports will be received.

Cooperation with the States in Marketing Work.

The Bureau of Markets now carries on cooperative marketing work with State agencies in twenty-eight States, i. e., Arkansas, Colorado, Connecticut, Georgia, Iowa, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Mexico, North Carolina, Tennessee, Texas, Utah, Vermont, Virginia, and Washington. The work in each of these States is under the immediate leadership of a field agent in marketing, whose function it is to assist in coordinating the marketing activities of the various agencies in the State in which he is located. The majority of these agents have assistants engaged on special phases of marketing, four or five men being employed in some cases. This work furnishes a

valuable means for coordinating and standardizing the activities of the Federal Government and the State agencies, and makes possible the development of a consistent national policy through which marketing improvements may be effected. State authorities are much interested in this work and are anxious to develop it. The following quotation from a letter addressed to the Bureau by the Dean of one of the Agricultural Colleges in the South may fairly be said to illustrate the general attitude of the cooperating States toward the work:

"In this State and in the other States of the South we simply cannot do without this marketing service. It is teaching farmers how to associate themselves together in marketing associations; it is showing them how to grade their products; it is teaching them the value of quality; it is getting them more money for their farm products than they could get under haphazard methods. I may even go so far as to say that without this service the County Agents would make serious mistakes."

Difficulties of Obtaining and Retaining a Competent Technical Staff.

It seems inadvisable to close this statement without calling attention to the great difficulty which the Bureau, in common with the whole Government Service, now experiences in obtaining and holding competent employees of all kinds, particularly technical men. Desirable men are extremely hard to obtain in the first instance, since a very small number can be induced to take the examinations. A large percentage

of those who succeed in passing the examinations, moreover, refuse to accept appointments at the salaries which can be offered and resignations among the force are constant.

This turnover makes it extremely difficult to conduct the Bureau's work at all, and it is impossible to push important lines which need attention. This difficulty is mainly caused by the intimate contact which the technical men of the Bureau must in the course of their work maintain with commercial marketing agencies which constantly offer them flattering inducements to leave the Government service. If it had been possible for the Bureau to pay better salaries, many of the workers who have left the service might have been retained. The table below shows the number of technical men who have left the Bureau to accept higher salaries during the period August 1, 1918, to April 30, 1920, inclusive:

**Technical Employees Who Resigned Between
August 1, 1918, and April 30, 1920, to
Accept Positions at Higher Salaries.**

Salary Range	Number of Resignations	Average Increase	Per cent of Increase
\$3,000 and over	20	\$4,003	114
\$2,000 to \$3,000	56	\$1,340	60
\$1,600 to \$2,000	39	\$1,004	61
\$1,560 and under	<u>27</u>	\$ 733	56
	142		

**Technical Employees Who Resigned Between
August 1, 1918, and April 30, 1920, to
enter Private Business or Accept
Commercial Positions.
(Compensation not Reported to Bureau).**

Salary Range	Number of Resignations.
\$3,000 and over	5
\$2,000 to \$3,000	17
\$1,600 to \$2,000	35
Under \$1,600.	19
	<hr/> 76
Resignations in technical force, as above,	218
" " clerical " to accept higher salaries	173
(Same period covered)	<hr/> 391

**Reductions in Funds for the Fiscal
Year Beginning July 1, 1920.**

With the beginning of the new fiscal year, on July 1st next, the present funds of the Bureau will be reduced by almost \$275,000. This, of course, will necessitate the curtailment of work now in progress which, owing to the urgent nature of the problems to be solved, is very unfortunate.

**Reductions
in Funds for
Investigational
Work.**

The various funds under which the Bureau of Markets conducts its investigations have been reduced in a way which will preclude the expansion of very important work, delay the development, or necessitate the curtailment of other valuable activities, or force the elimination of certain projects entirely. As an example of the effect of this reduc-

tion, it probably will be impossible to establish grades for barley, rye and the grain sorghums, next year as was planned although there is an insistent demand for this action. The large amount of careful preliminary investigational work which must precede the establishment of any grades, must necessarily be greatly slowed down as the result of decreased funds. The same is true in regard to wool standardization, which can not be taken up adequately.

**Reductions
in Market
News Services.**

**Pacific Coast,
South and
Southwest
most affected.**

The Market News Services on Live Stock and Meats, Dairy and Poultry Products, Fruits and Vegetables, Peanuts, Hay, Feeds and Seeds must be seriously curtailed during the next fiscal year. During the war the Bureau had in operation 17,000 miles of leased wire, this mileage last year was cut to about 5,000. Next year it must be further reduced with corresponding loss to the industries served and important agricultural sections of the country, such as the Pacific Coast, the South and Southwest, which even now are largely deprived of the benefits of the news service, must suffer further. These sections are in most urgent need of information because they are located at relatively great distances from the market.

With funds available in the coming fiscal year only one leased wire circuit can be maintained for messages from Washington to Chicago, Philadelphia, New York and Boston. This will result in congested wires, delayed messages and the

omission of much essential information, the chief value of which lies in its early, prompt and reasonably complete dissemination.

**Reductions
in Food
Products
Inspection
Service.**

The appropriation for the Food Products Inspection Service has been reduced, although the demand for inspections has been constantly increasing and the force is greatly overworked. With the decrease in funds it probably will be necessary to close certain offices or reduce the force in some of the more important places. There has been a very strong demand for the opening of additional offices in such cities as Hartford, Louisville and Norfolk, but this demand, of course, can not be answered unless additional funds are obtained.

**Reductions in
Appropriation
for Grain
Standards Act.**

The reduction in the appropriation for the enforcement of the United States grain standards Act is of a serious nature because it is now barely sufficient to permit the discharge of the work in a satisfactory fashion. This legislation being mandatory and not permissive, imposes upon the Bureau certain duties which it can not avoid, and the decrease of already inadequate funds with which to carry out a piece of regulatory legislation is not only likely to be embarrassing but will make it impossible to enforce the law in the constructive manner which the public has every right to expect. To enforce the United States grain standards Act at all, it is necessary to maintain an organization covering

the entire United States. This necessitates the maintenance of a number of branch offices, and these, in the larger markets must be manned by relatively large forces, in order to handle effectively and expeditiously the great volume of work which arises automatically through the operation of the law.

Measures will, of course, be taken to handle as much of the work as possible with the decreased funds, but to come within the appropriation it has been necessary to discontinue the offices at Salt Lake City and Cleveland, reduce forces in other places, and postpone for at least one year the promulgation of standards for milled rice. There is insistent demand for the standardization of additional cereals under the grain standards Act, and consequently arrangements had been made to promulgate rice standards but the work was discontinued when it became clear that the appropriation would be reduced.

ORGANIZATION OF BUREAU OF MARKETS

CHIEF
ASSISTANT CHIEF
ASSISTANT TO CHIEF

COMPILATION OF
MARKET
INFORMATION

DISSEMINATION OF
MARKET INFORMATION
INCLUDING
MARKET REPORTER

COSTS OF
MARKETING
FARM PRODUCTS

COOPERATIVE
RELATIONS

DIVISION OF
COTTON MARKETING
(1) ENFORCEMENT OF U.S. COTTON
STANDARDS ACT
(2) INVESTIGATION & DEMONSTRATION
OF COTTON STANDARDS
(3) COTTON TESTING
(4) COTTON HANDLING & MARKETING
PRODUCTS

DIVISION OF
LIVE STOCK, MEATS & WOOL
(1) MARKETING LIVE STOCK AND
ANIMAL BY-PRODUCTS
(2) WOOL MARKETING
(3) MARKET NEWS SERVICE
(4) STOCK YARDS SUPERVISION
(Temporary)

DIVISION OF DAIRY AND
POULTRY PRODUCTS
(1) MARKETING DAIRY AND
POULTRY PRODUCTS
(2) INSPECTION OF DAIRY AND
POULTRY PRODUCTS
(3) MARKET NEWS SERVICE

DIVISION OF
FRUITS & VEGETABLES
(1) MARKETING FRUITS AND
VEGETABLES
(2) STANDARDIZATION
(3) INSPECTION OF FRUITS &
VEGETABLES
(4) MARKET NEWS SERVICE
(Including Produce)
(5) ENFORCEMENT STANDARD COM-
TAINER ACT

DIVISION OF
GRAIN MARKETING
(1) ENFORCEMENT OF U.S. GRAIN
STANDARDS ACT
(2) GRAIN STANDARDIZATION
(3) GRAIN HANDLING AND STORAGE
AGE

DIVISION OF
HAY, FEED AND SEED
(1) MARKETING HAY, FEED AND
SEED
(2) HAY STANDARDIZATION
(3) MARKET NEWS SERVICE

FOREIGN
MARKETING
OF
FARM PRODUCTS

COOPERATIVE
MARKETING
OF
FARM PRODUCTS

TRANSPORTATION
OF
FARM PRODUCTS

WAREHOUSING
(1) ENFORCEMENT OF U.S.
WAREHOUSE ACT
(2) COLD STORAGE

PRESERVATION
OF
PERISHABLE
FARM PRODUCTS

COMPLETION OF
WOOL WORK OF
WAR INDUSTRIES
BOARD
(Temporary)

OFFICE
MANAGEMENT
& ACCOUNTS

1		AUTHOR. Dep.	
M34B		FILE.	
June 14, 1939.			
8-23-20		My. Cool	
JUL 13 1939		JUL 13	

Crop Estimates.

